CRYSTAL BALL OR TEA LEAVES

Tim Page-Ratcliff from TPR Property Solutions takes an insider's look at the property market and what it may do this autumn

With the summer holiday period now well behind us, the new school year underway and daylight hours already shortening, what lies ahead for the residential property market? It's often a time of year when would-be buyers and sellers take stock and decide whether to 'go for it' before Christmas or put plans on 'hold' until next spring. It's a time of year when many are trying to second guess the market by looking into their crystal ball or reading the tea leaves.

Speaking with estate agents across East and West Sussex, as we are all the time, you may be pleasantly surprised that most are upbeat about prospects for the autumn market. Diaries have been filling-up with appointments to see potential clients and there's beginning to be more property available, either on or off-market. We carried out a straw poll of upper-end agents at the end of August – 87 per cent of respondents were feeling more optimistic about prospects for the market between now and Christmas than they were three months ago, and 73 per cent reported more sales agreed over the summer holiday period than they had been anticipating in early July.

As I've said previously on this page, it has been the Bank of England's cycle of interest rate hikes and increases in mortgage rates which have been casting a shadow over the finances of prospective buyers. Over time, these have taken the 'fizz' out of the market. This has been no bad thing, as the market last year was the hottest I can ever recall and in danger of running away with itself. Since then, it has settled down and, although there's now a more equal balance between supply and demand, good property continues to attract early interest. Some is generating competitive bidding.

The bank has also stated that it will 'ensure the bank rate is sufficiently restrictive for sufficiently long,' signalling that rates are unlikely to fall any time soon. Indeed, it seems likely that the era of rates above five per cent is set to be with us for some time – possibly until 2025. That said, as the bank tackles inflationary pressures in the jobs market, gently rising unemployment and a sluggish economy, the property market now needs some stability to underpin confidence. In recent times, major lenders such as the Halifax, NatWest, HSBC, Santander and Nationwide have trimmed their rates on new mortgage deals. This has been welcome news for those seeking new borrowing as well as for the 1.5m who will see their current mortgage deal expire by the end of next year.

Whether you're looking into your crystal ball or reading the tea leaves, real evidence gathered from the coal face tells me there is sufficient positivity amongst sellers and buyers (and agents) for the property market in Sussex to remain active over the autumn.

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